

# City of Detroit

## CITY COUNCIL

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ANNE MARIE LANGAN  
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(313) 224-1076

TO: Medina Noor, Executive Director  
Department of Administrative Hearings

FROM: Irvin Corley, Jr., Fiscal Analysis Director **24.**

DATE: April 27, 2010

RE: 2010-2011 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2010-2011 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Thursday, April 29, 2009 at 11:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Thomas Lijana, Finance Director  
Pamela Scales, Budget Department Director  
Ron Chenault, Budget Department Team Leader  
Kamau Marable, Mayor's Office

## **Department of Administrative Hearings (45)**

### **FY 2010-2011 Budget Analysis by the Fiscal Analysis Division**

#### **Summary**

The Department of Administrative Hearings is a General Fund Agency that adjudicates blight violations such as violations of property maintenance, zoning, solid waste, and illegal dumping ordinances. The Mayor's Proposed Budget for 2010-2011 includes appropriations of \$1.8 million, which is a decrease of \$0.8 million or 32% from fiscal year 2009-2010. The Mayor's 2010-2011 Proposed Budget includes revenues of \$1.0 million, which is a decrease of \$1.2 million from fiscal year 2009-2010 amended budget of \$2.6 million. The department's net tax cost recommended for next year is \$0.8 million, \$0.4 million more than the amended budgeted net tax cost for the current year.

#### **2009-2010 Surplus/(Deficit)**

The estimated deficit for the Department of Administrative Hearings is \$1,387,098 for fiscal year 2009-2010. The deficit is composed of a revenue deficit of \$1,611,000 and an appropriation surplus of \$223,902.

#### **Overtime**

The Mayor's Proposed Budget for fiscal year 2010-2011 does not include any provision for overtime expenses. As of March 31, 2010, the Department was not included on the document that shows Budgeted Overtime vs. Actual Overtime.

#### **Personnel and Turnover Savings**

There are no projected personnel or turnover savings for this department.

#### **Department of Administrative Hearings (45)**

| Budgeted Professional and<br>Contractual Services by Activity | FY 2009-10<br>Budget | FY 2010-11<br>Recommended | Increase<br>(Decrease) |
|---|----------------------|---------------------------|------------------------|
| Blight Violation Adjudication                                 | \$ 1                 | \$ 921,362                | \$ 921,361             |
| <b>Total</b>  | <b>\$ 1</b>          | <b>\$ 921,362</b>         | <b>\$ 921,361</b>      |

#### **Proposed Layoffs and Position Changes**

The Mayor's Proposed Budget for 2010-2011 does not include a reduction in force for this department, nor does it include any layoffs.

| <u>Appropriation/Program</u>                       | <u>Redbook<br/>Positions<br/>FY 2009-10</u> | <u>Filled<br/>Positions<br/>3/31/2010</u> | <u>Mayor's<br/>Budget<br/>Positions<br/>FY 2010-11</u> | <u>Over/(Under)<br/>Actual to<br/>09/10 Budget</u> | <u>Mayor's<br/>Recommended<br/>Turnover</u> |
|--|---|---|--|--|---|
| <b>Department of Administrative Hearings (45):</b> |   |   |  |  |   |
| <b>11159 Blight Violation Adjudication</b>         | <u>0</u>                                    | <u>10</u>                                 | <u>6</u>   | <u>10</u>  | <u>\$ _____ -</u>                           |
| <b>TOTAL</b>                                       | <u>0</u>                                    | <u>10</u>                                 | <u>6</u>   | <u>10</u>  | <u>\$ _____ -</u>                           |

### Significant Revenue Changes

| <u>Appro.</u> | <u>Program</u>                |   |
|---------------|-------------------------------|---|
| 11159         | Blight Violation Adjudication | The Mayor's 2010-2011 Proposed Budget includes \$1 million in revenue, which is a decrease of \$1.2 million from the current year's amended budget of \$2.2 million. The decrease is primarily the result of a decrease in other fees by \$1.3 million, which is partially offset by an increase of \$0.1 million in personal services. |

### Significant Funding by Appropriation

| <u>Appro.</u> | <u>Program</u>                |   |
|---------------|-------------------------------|---|
| 11159         | Blight Violation Adjudication | The Mayor's 2010-2011 Proposed Budget includes \$1.8 million in the appropriation, which is a decrease of \$0.8 million from the current year's amended budget of \$2.6 million. The decrease is primarily due to a \$0.3 million decrease in professional service contracts, a \$0.3 million decrease in rentals-buildings, and a \$0.2 million decrease in purchasing services. |

### Changes in Goals and Major Initiatives

For fiscal year 2010-11, DAH's Blight Enforcement Group reconfigured the code enforcement process to focus on compliance with Detroit City Codes versus a system geared toward revenue collection. The Blight Enforcement Group will accomplish this by implementing the following initiatives:

- Creation of a "warning" system before the issuance of a blight ticket;
- Amending Chapters 8.5 and 22 to the City Code to:
  - Reduce the fine amounts;
  - Allow for the property owner to prove compliance to get a fine waived; and allow for hearing officers to consider a number of factors in determining the amount of the fine to be assessed.

### Issues and Questions

1. Why the fiscal year 2010-11 budget does not include an amount for other expenses?
2. Why isn't there a budget for revenues as it relates to other fees from the State for fiscal year 2010-11? There was actual revenue reported for fiscal years 2007-08 and fiscal year 2008-09.
3. Due to the new initiative that is focused on reducing fine amounts and waiving them, what impact will this have on revenues that are being generated by this department?
4. What is the status of the above initiative for fiscal year 2010-11?
5. Per the DRMS report for the period April 2010, the year to date budget is \$1.9 million for other fees. Currently, the year to date actual for April 2010 is \$0.5 million. What caused the decline in revenues for this area? Also, what is your plan to recapture the difference, which is \$1.4 million?